



# Vardhman

## VARDHMAN SPECIAL STEELS LIMITED

Delivering Excellence. Since 1965.

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Ref. VSSL:SCY:AUG:2020-21

Dated: 06.08.2020

|   |   |
|---|---|
| The Deputy General Manager,<br>Corporate Relationship Deptt,<br>Bombay Stock Exchange Limited,<br>1 <sup>st</sup> Floor, New Trading Ring,<br>Rotunda Building, P.J Towers,<br>Dalal Street, Fort,<br><b>MUMBAI-400001.</b> | The National Stock Exchange of<br>India Ltd,<br>Exchange Plaza,<br>Bandra-Kurla Complex,<br>Bandra (East),<br><b>MUMBAI-400 051</b> |
| Scrip Code: 534392  | Scrip Code: VSSL  |

**SUB: DISCLOSURE UNDER REGULATION 30 & 33 OF SEBI LISTING OBLIGATIONS**

Dear Sir,

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith Un-Audited Financial Results of the Company for the quarter ended 30<sup>th</sup> June, 2020 together with Limited Review Report as approved by Board of Directors in its meeting held on 6<sup>th</sup> August, 2020.

The meeting of the Board of Directors commenced at 11:15 a.m. and concluded at 03:15 p.m.

Kindly note and display the notice on your notice Board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,

For VARDHMAN SPECIAL STEELS LIMITED

  
(SONAM TANEJA)  
Company Secretary



YARNS | FABRICS | THREADS | GARMENTS | FIBRES | **STEELS**

PAN NO.: AADCV4812B CIN: L27100PB2010PLC033930

WWW.VARDHMANSTEEL.COM

**VARDHMAN SPECIAL STEELS LIMITED**

Regd. Office Vardhman Premises, Chandigarh Road, Ludhiana-141010

Corporate Identity Number (CIN): L27100PB2010PLC033930, PAN: AADCV4812B

Website: www.vardhmansteel.com Email: secretarial.lud@vardhman.com

**Statement of Unaudited Financial Results for the quarter ended 30 June 2020**

(Rs. In lakhs)

| Sr. No. | Particulars   | Quarter Ended             |                         |                           | Year Ended              |
|---------|---|---------------------------|-------------------------|---------------------------|-------------------------|
|         |   | 30.06.2020<br>(Unaudited) | 31.03.2020<br>(Audited) | 30.06.2019<br>(Unaudited) | 31.03.2020<br>(Audited) |
| 1       | Revenue from operations   | 6,786.20                  | 20,566.25               | 24,077.78                 | 84,620.03               |
| 2       | Other income (also refer to note 1)   | 176.95                    | 146.17                  | 65.76                     | 939.82                  |
| 3       | <b>Total Income (1+2)</b>   | <b>6,963.15</b>           | <b>20,712.42</b>        | <b>24,143.54</b>          | <b>85,559.85</b>        |
| 4       | <b>Expenses:</b>  |                           |                         |                           |                         |
|         | a) Cost of materials consumed   | 3,877.86                  | 10,932.65               | 12,131.53                 | 38,929.11               |
|         | b) Purchase of stock in trade   | -                         | 1.90                    | 410.58                    | 432.19                  |
|         | c) Changes in inventories of finished goods, stock -in- trade and work -in progress | 480.94                    | 1,438.08                | 2,221.54                  | 14,438.63               |
|         | d) Employee benefits expense  | 1,071.04                  | 1,248.95                | 1,206.13                  | 4,812.87                |
|         | e) Finance costs  | 514.16                    | 508.12                  | 811.26                    | 2,571.61                |
|         | f) Depreciation and amortisation expense  | 669.11                    | 655.43                  | 611.32                    | 2,572.08                |
|         | g) Other expenses   |                           |                         |                           |                         |
|         | - Power and fuel expense  | 1,168.95                  | 2,662.61                | 2,826.14                  | 9,548.89                |
|         | - Store and spares consumed   | 438.01                    | 1,347.62                | 2,087.15                  | 6,084.51                |
|         | - Others  | 694.20                    | 1,353.29                | 1,657.14                  | 6,401.60                |
|         | <b>Total expenses</b>   | <b>8,914.27</b>           | <b>20,148.65</b>        | <b>23,962.79</b>          | <b>85,791.49</b>        |
| 5       | (Loss)/profit before income tax (3-4)   | <b>(1,951.12)</b>         | <b>563.77</b>           | <b>180.75</b>             | <b>(231.64)</b>         |
| 6       | Tax (income)/expenses   |                           |                         |                           |                         |
|         | - Current tax   | -                         | 6.45                    | 83.58                     | 6.45                    |
|         | - Deferred tax  | (673.53)                  | 200.42                  | (16.65)                   | (572.08)                |
| 7       | Net (loss)/profit after income tax (5-6)  | <b>(1,277.59)</b>         | <b>356.90</b>           | <b>113.82</b>             | <b>333.99</b>           |
| 8       | <b>Other comprehensive (expense)/ income</b>  |                           |                         |                           |                         |
|         | (A) (i) Item that will not be reclassified to profit or loss                        | (25.02)                   | (61.13)                 | (7.66)                    | (84.12)                 |
|         | (ii) Income tax relating to items that will not be reclassified to profit or loss   | -                         | (8.03)                  | 2.68                      | -                       |
|         | (B) (i) Item that will be reclassified to profit or loss                            | -                         | -                       | -                         | -                       |
|         | (ii) Income tax relating to items that will be reclassified to profit or loss       | -                         | -                       | -                         | -                       |
| 9       | <b>Total comprehensive (loss) / income for the period (7+8)</b>                     | <b>(1,302.61)</b>         | <b>287.74</b>           | <b>108.84</b>             | <b>249.87</b>           |
| 10      | Earnings per equity share<br>(in Rs.) (not annualised):                             |                           |                         |                           |                         |
|         | (a) Basic   | (3.16)                    | 0.88                    | 0.32                      | 0.89                    |
|         | (b) Diluted   | (3.16)                    | 0.88                    | 0.32                      | 0.89                    |
| 11      | Paid-up equity capital (face value Rs. 10/- per share)                              | 4,039.45                  | 4,039.45                | 3,576.00                  | 4,039.45                |
| 12      | Reserve (excluding revaluation reserve)   |                           |                         |                           | 37,232.56               |
|         | See accompanying notes to the unaudited results                                     |                           |                         |                           |                         |



*Sachitja*

**VARDHMAN SPECIAL STEELS LIMITED**

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Corporate Identity Number (CIN): L27100PB2010PLC033930, PAN: AADCV4812B

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**Notes:**

- 1 The Company is eligible for incentive of electricity duty among other incentives under the Punjab State Government's Fiscal Incentives for Industrial Promotion Policy (R) 2015 for its expansions completed up to 31 March 2016. Further, the Company is also eligible for claiming incentives under the Industrial and Business Development Policy 2017 of the Punjab State Government. Pursuant to the necessary approvals from the competent authorities in the previous year, the Company has recorded Rs. 3.14 lakhs in the current quarter as compared to Rs. 482.32 lakhs in the previous year under the head "Other income" towards incentive of electricity duty exemption. Other incentives will be considered post sanction/assessment/approval by appropriate authority.
- 2 The Company is engaged in the single operating segment "Steel".
- 3 The Company is in the business of manufacturing of steel bars and rods having its end application in automobile sector. To prevent and contain the spread of Covid-19, the State Government imposed Curfew from 23 March 2020 followed by announcement by the Central Government for 21 days nation-wide lockdown from 25 March 2020 resulting in complete shutdown of all economic and social activities. To comply with the directives of the Government, the Company temporarily closed its manufacturing operations and sales offices across India. Thereafter, in compliance with the relaxations given by the Ministry of Home Affairs (MHA) and after seeking approval from the concerned State Government authorities, the Company started limited operations at its manufacturing facility from 22 April 2020. With the easing of lockdown norms and opening up of markets, the capacity utilization of our manufacturing plant is gradually increasing with the passage of time.

The outbreak of Covid-19 has posed one of the biggest unforeseen threats to the global economy. The Company could not remain immune to the adverse business conditions. On the raw material side, we are carrying more than the normal inventory levels due to arrival of contracted imports. On the sales side, OEMs have revised the schedules of lifting resulting in carrying of some of the finished goods for a longer period. Also for the new business, there is lot of competition on price, squeezing the margins of the company. Accordingly this depressed economic environment has badly impacted financial results of current quarter of the Company. However, with the sudden spurt demand in July'2020, we expect that Q2 will be substantially better than the previous quarter.

On liquidity front, the Company is quite comfortable as most of the due realizations from the customers have been received during lockdown period. The Company is not only regularly paying interest and repayments on due dates towards its borrowings without opting for any deferment but has also made part pre-payment of term loans. Also, the Company has sufficient lines of credit sanctioned by its bankers and has the ability to borrow, if required in future well within comfortable debt equity ratio.

- 4 The figures for the three months ended 31 March 2020 as reported in these unaudited financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures upto the end of third quarter of the previous financial year. Also, the figures upto the end of the third quarter of previous financial year had only been reviewed and not subject to audit.
- 5 The above Unaudited Financial Results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 6 August 2020 and have been subjected to Limited Review by the Statutory Auditors. The unmodified review report of the Statutory Auditors is being filed with the BSE and NSE. For more details, visit the Investor section of the Company's website at [www.vardhmansteel.com](http://www.vardhmansteel.com) and Financial Results at Corporate section of [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

Date : 6 August 2020  
Place: Ludhiana



For and on behalf of the Board of Directors of

**Vardhman Special Steels Limited**

*Sachit Jain*  
Sachit Jain  
Vice Chairman & Managing Director

# B S R & Co. LLP

Chartered Accountants

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Chandigarh - 160002

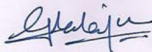
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## Limited review report on unaudited quarterly financial results under Regulation 33 of the Listing Regulations for Vardhman Special Steels Limited

To  
Board of Directors of Vardhman Special Steels Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Vardhman Special Steels Limited "the Company" for the quarter ended 30 June 2020 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No.101248W/W-100022



Gaurav Mahajan  
Partner  
Membership No. 507857  
ICAI UDIN: 20507857AAAABS3645

Place: Chandigarh  
Date: 6 August 2020